FOREIGN AGRICULTURE

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India: Big Push For Farm Exports

North African Grain

Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

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This week's cover:

From burnoose to background, the Tunisian farmer surveying his wheat field in picture at top bears a striking resemblance to the artist's conception of a farmer printed on a stamp honoring the country's agriculture.

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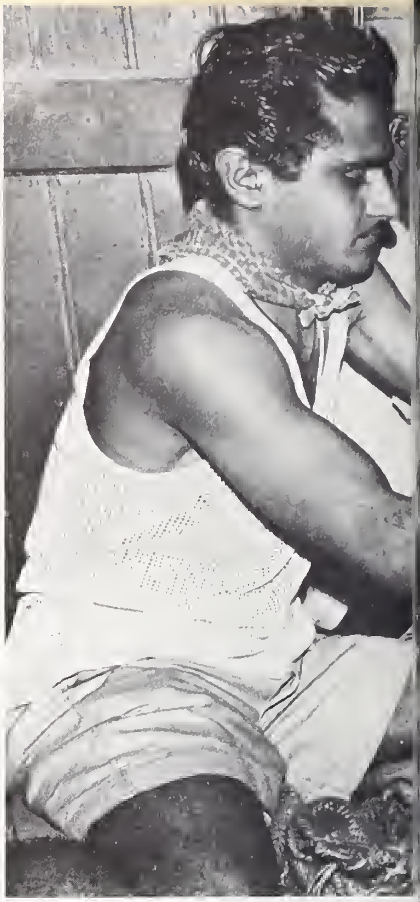


Indian workers use jute in sewing grain bags to be shipped abroad. Jute products presently make up about one-third of India's total exports of manufactured goods.

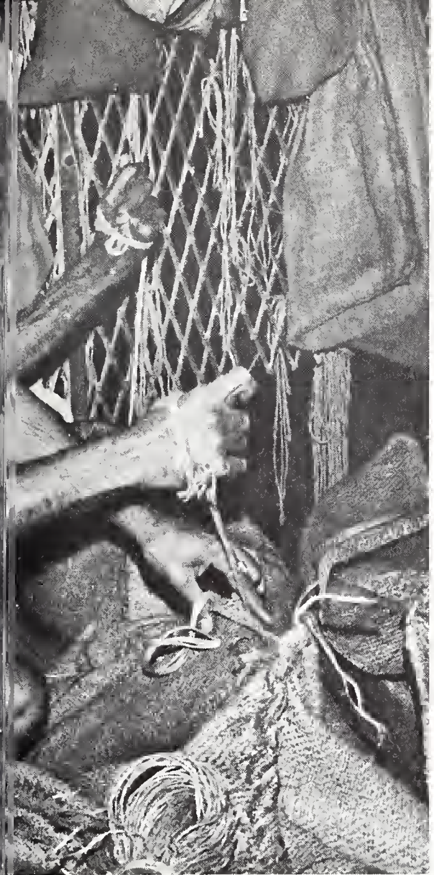
While recent economic advancement has brought immense hope and encouragement to India's swelling population, it has also caused some unforeseen difficulties on the agricultural front. The spread of industrialization and urbanization has brought with it a tremendous domestic demand for many traditional export commodities, and it is becoming increasingly difficult for India to meet this demand and insure a steady flow of agricultural exports at the same time.

Industrialization has spurred the demand for farm products in two ways: Factories need raw materials like jute and oilseeds, and industrial communities have become new cash markets for food produced by farmers. And today, when India's grain farmers prosper with new high-yield varieties, they use their income to buy products that farms or factories might otherwise export. Economic growth is thus creating a tremendous domestic market for textiles, vegetable oils, and other consumer products at a time when trade competition from other developing countries is steadily increasing.

Wide variety of commodities affected

Throughout the past decade, a shortage of foreign exchange has been one of India's major problems. During the terrible droughts of 1966 and 1967, the problem was intensified as agricultural exports declined and food imports increased. Nevertheless, by increasing exports and curtailing imports, India had improved her foreign exchange position by 1969. In that year, imports were reduced to $2.08 billion and total exports climbed to $1.83 billion—a 40 percent increase over the value of items exported in 1959. However, the share of exports contributed by agricultural commodities declined from 44 percent to 31 percent during the period from 1959 to 1969. The value of India's agricultural exports declined from a peak of $748 million in 1963 to $570 million in 1969.

The tremendous domestic demand for India's farm com-



India Struggles To Increase Exports Of Agricultural Items

By JOHN B. PARKER, Jr.
Foreign Regional Analysis Division
Economic Research Service

modities has pushed prices steadily higher, and producers of many items have found it more profitable to serve the growing Indian market than to expand sales in the world market.

Tea, which has accounted for over 40 percent of all of India's agricultural exports in the last decade, is a good example of the recent trend. Domestic use has continually increased and now takes over half the tea produced in India. Accounting for 80 percent of the decline in agricultural exports from 1963 to 1969, the value of tea exports declined from $278 million to $160 million during that period.

The market prices for Indian vegetable oils are now about double average world prices. When a shortage of vegetable oils developed in the mid-1960's and hindered India's exports of castor oil, Brazil became firmly established as the major world supplier of that commodity. By 1968, when India was again in a position to export castor oil, it was not able to meet the competition of the lower-priced Brazilian oil. Peanut oil exports have also suffered, as a result of high domestic prices and low supplies. In 1963, India was the world's second largest exporter of peanut oil, with a value of $23 million; but by 1965 these exports had dropped off to token levels. The high prices of Indian peanut oil indicate that even if bumper peanut crops are harvested the prospects for increased exports in the near future are dim.

India was an important grain exporter about 35 years ago—before its independence and partition—and as late as 1955 exports of basmati rice exceeded 100,000 tons annually. However, even continued gains in foodgrain production are not likely to increase exports. Currently, the minimum procurement price for wheat in India is $2.76 per bushel, and open market prices are even higher—generally about double the price of wheat in major exporting countries. Because more wheat is desperately needed at this time to bolster the diet of the average Indian, wheat exports are prohibited by the Indian Government. India is expected to import about 3 million tons of wheat in 1970. Basmati rice did make a small comeback in 1969 when 15,446 tons were exported—mostly to Indian merchants living in the Middle East and United Kingdom. Some rice and corn seed was exported to Nepal and other nearby Asian countries in 1969.

Sugar exports by India reached a record value of $54 million in 1963. When an embargo on Cuban sugar began in the early 1960's and the United States was searching for substitute suppliers, large purchases of Indian sugar resulted. Because of supply shortages in India, however, the value of sugar exports in recent years has been less than one-third the 1963 level. Indian sugar refiners are now granted concessions on the quantity of sugar they may sell in the open market free of fixed prices, depending upon the quantity of sugar they export. The limited sugar exports that result are restricted to preferential markets where payments are made in foreign exchange, especially the United States and United Kingdom. With the rising domestic demand and the mounting financial problems of sugar refiners, it is unlikely that India's sugar exports will again reach the level of 1963.

Jute, tea, and tobacco exports down

When British India was divided in 1947, most of the jute production was in the area which became East Pakistan and most of the jute mills were then located in Calcutta. For about a decade these mills relied upon imports for a large part of their raw jute. India has remained a net importer of jute, although in 1969 it was the world's largest jute producer. Jute products now total about one-third of India's exports of manufactured goods, but raw jute accounts for less than 2 percent of the value of agricultural exports.

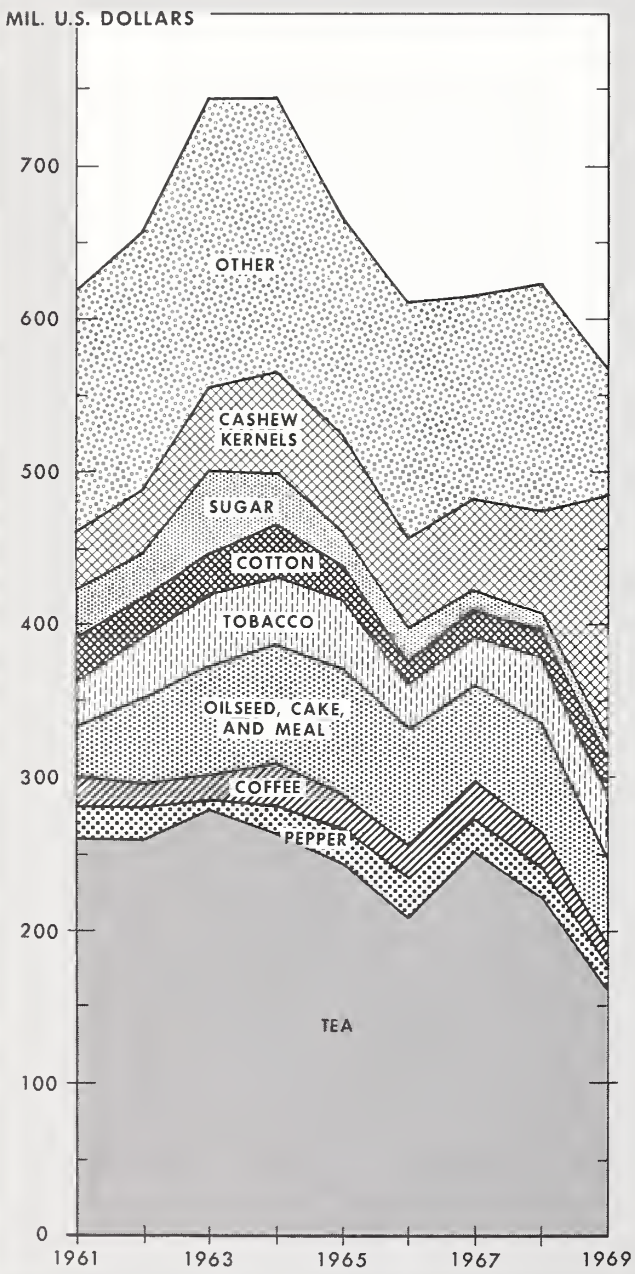
India's pulse exports have also dropped significantly, and today are far below the 79,500 tons exported in 1955 when India was the world's third largest pulse exporter. India's chickpeas, lentils, and other pulses are exported primarily to Ceylon and the Arabian Peninsula.

Further aggravating India's trade problems is the increased competition from other developing countries over the last 5 years. For example, Ceylon and some African countries are

exporting more tea. At the same time the demand for tea by major importing countries has increased very slowly in the last decade, depressing world tea prices. It is now less profitable for an Indian tea grower to export tea than to sell it domestically where taxes and transport costs are less.

Exports of flue-cured tobacco from South Korea, Mainland China, and many other developing countries have expanded dramatically in the last 5 years, while those by India have remained below the 1963 peak. In 1966, when sanctions against Rhodesia took place, it appeared that India would be able to greatly increase tobacco exports. However, partly because of adverse weather, tobacco production has not expanded as planned; and India's share of tobacco imported from Asia by European countries (which formerly imported Rhodesian leaf) was actually less in 1969 than in 1963.

INDIA: SELECTED AGRICULTURAL EXPORTS



Exports of cashew kernels are facing increased competition from Mozambique where mechanical shellers are now in use, and peanut meal exports are likely to face significant competition from West Africa where new crushing mills are being built. Also, plans to increase India's banana exports to Japan in the early 1970's may be hindered by increased supplies from other exporters in Asia and Latin America.

The closure of the Suez Canal for the past 3 years has also had a profound effect upon India's trade. Higher transportation costs for sending raw materials around Africa's cape have hampered exports to Europe. The recent shift away from Eastern Europe to Japan as a market for peanut meal is an example of this difficulty. Presently, the Indians are working on a road from the port of Bandar Abbas in Iran to Kandahar, Afghanistan, which will provide a new land route to the Soviet Union and Europe. The use of air cargo for exports of fresh produce from India to Europe during the winter is also becoming more common.

Although India's trade policy places a high priority on increasing exports to markets where payment is made in convertible currency, an expansion in exports through trade agreements has occurred recently to cushion the degree of decline of agricultural exports. Bilateral arrangements with the USSR, Eastern Europe, the United Arab Republic (UAR), and some Asian countries have resulted in larger exports to those areas. They involve planning trade on a barter or balancing basis for a list of specified items.

Exports to Eastern Europe and USSR

India's exports to the USSR jumped 19 percent in 1969 to $221 million. Through trade agreements and rupee payment schemes the Russians are buying more Indian agricultural commodities, especially tea, coffee, wool, cashew kernels, tobacco, peanuts, and processed foods. Although the United States is still India's leading market for all exports combined, the USSR is moving close to the United Kingdom for first place among India's markets for agricultural exports. The USSR has shifted to India for some items it once imported heavily from China, such as tea and tobacco.

India's peanut exports began to make a substantial recovery in 1969 after years of decline, largely due to increased imports by the Soviet Union and Eastern Europe. Together they took over 70 percent of India's $14 million worth of peanut exports, although that value represented less than 1 percent of India's total crop. The USSR has also become the largest market for India's cashew kernel exports, partly because of an agreement by which the rupees they received for building a steel mill in India were used to buy cashew kernels in the State of Kerala in southern India. The USSR is now also the leading market for some processed foods such as mango juice and roasted and instant coffee, and it has become an important market for cotton textiles and jute products as well. Eastern Europe has recently become a good market for Indian castor oil.

Through the Tripartite Trade Agreement with the UAR and Yugoslavia, India has special trade arrangements and sizable tariff cuts, although trade with these countries has not increased at the planned rate because of the closure of the Suez Canal and certain problems relating to currency and credit administration. India's total exports to the UAR increased from $25 million in 1968 to $43 million in 1969 because of larger deliveries of manufactured goods, tea, coffee, tobacco,

(Continued on page 12)

North African farmers examine a field of wheat in Tunisia. Good growing conditions in the area have resulted in an excellent grain harvest during the past year.

Tunisia's Major Crops Are Spurred By Good Weather and Soil Conditions

Tunisia, where long droughts and untimely rains have customarily plagued farm output, can now look toward some favorable changes on the agricultural scene. Reflecting the good weather and improved soil conditions of recent months, production of some of Tunisia's most lucrative crops is now expected to increase substantially over the levels recorded last year.

While wheat in some sections of southern and central Tunisia suffered from a lack of rain earlier this year, excellent conditions in the north resulted in above average production overall. The 1970 wheat harvest is currently estimated at 450,000 metric tons, well above the 1969 total of 300,000 tons. Bread wheat is expected to account for 180,000 tons and durum for 400,000 tons. Barley production from the 1970 harvest—estimated at 150,000 tons—is expected to be not quite double the 1969 crop of 80,000 tons. Along with good growing conditions, factors contributing to the expanded grain production include increased acreage and wider use of high-yielding Mexican wheat varieties.

Producer prices fixed by the Tunisian Government for the 1970 grain harvest remain at the levels of the previous several years—$83 per ton for soft wheat, $92 per ton for durum, and $54 per ton for barley.

The larger domestic grain supplies are expected to result in reduced import needs in the months ahead. Recent reports also indicate that production of broad beans and chick peas has picked up during the 1970 season.

The 1970 olive harvest is expected to reach at least 500,000 tons, with an oil turnout of about 85,000 tons. This represents an estimated fivefold increase in olive production over last year and nearly a fourfold increase in oil production. Improved soil moisture conditions, resulting from the heavy rains last fall, and a favorable year in the cyclical production pattern account for the sizable increase this year.

A heavy olive oil supply during the current season could result in export availabilities of up to 75,000 tons; and Tunisia's biggest customers include Libya, France, and other European Community (EC) countries.

The domestic market in Tunisia absorbs a maximum of only 15,000 tons annually, including that used for blending with soybean oil.

No gains in citrus and date output

Tunisia's total citrus production for the 1969-70 season is estimated at 82,000 tons—the same at last year's. Traditionally, citrus production and marketing in Tunisia have faced a number of obstacles. Limited rainfall in the principal producing area has an adverse effect on the quality and size of the fruit, and competition from other producing countries (principally Spain and Morocco) has kept export levels relatively low.

Tunisia exported about 28,000 tons during the 1969-70 season—including about 26,500 tons of oranges and 1,500 tons of lemons—and marked increases from this level are not expected. Most of the citrus exports go to the EC.

Flood damage to date trees last fall resulted in an extremely poor 1970 harvest and eliminated export possibilities. In contrast, Tunisia usually exports about 15,000 tons of dates in an average year. Larger date crops are expected in the near future, however, with selected varieties being planted in artesian-fed oases of the Sahara at the rate of about 10,000 trees annually. Total plantings to date number about 45,000 trees.

Tobacco output somewhat higher

Estimated at 2,500 tons, Tunisia's leaf tobacco production for 1970 shows a slight increase over last year's output of 2,265 tons. Both years' harvests include 425 tons of snuff tobacco. Leaf acreage estimates for 1970 are not yet available, although about 7,636 acres were planted to leaf tobacco in 1969.

Contracts have recently been awarded for leaf purchases under the first combined tender issued for Tunisia, Morocco, and Algeria. The first tender, issued by the Commission of the Maghrebian Tobacco Monopolies (CAMTM), was to purchase Brazilian tobacco. To eliminate participation by international brokers and commission agents, tender notification will be limited to a selected list of established suppliers within a country. As Tunisia is not a significant importer of cigarettes, the CAMTM agreed that any licensed manufacturing of foreign cigarettes would be in Morocco and Algeria. —Based on dispatch from

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Good Grain Crop

By MARGARET B. MISSIAEN
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Grains, especially wheat and barley, have long been the most important food crops of the Maghreb. In that North African area, which includes Morocco, Algeria, and Tunisia, current reports indicate that the grain crops harvested during May through July 1970 were well above average.

Cereal production in Morocco is now estimated to be up about 20 percent from 1969. In Tunisia the 1970 grain crop was earlier predicted to be almost double the 1969 harvest, although the latest reports are less optimistic. Indications are that Algeria also harvested a larger cereal crop than last year.

Wheat and, to a lesser extent, barley are the staples of the diets in the region. According to food balances prepared by the Food and Agricultural Organization of the United Nations, cereals supply about 65 percent of the area's total calorie intake.

Mostly durum wheat

Two types of wheat are produced in the Maghreb—*blé dur* and *blé tendre*. *Blé dur* is durum wheat, while *blé tendre* is bread wheat similar to the hard winter wheat produced in the United States and other countries. Between 70 and 75 percent of the wheat produced in the region is durum, and the remainder is bread wheat. Durum wheat is milled to produce coarse or fine semolina flour. The fine flour is used to make pasta products; while the coarse flour is used in the dish, couscous—a staple in the diets of the Maghreb. The bread wheat milled into flour is used for making bread both in commercial bakeries and in the home. Wheat demand is expanding due to a rapidly increasing population and a growing preference for wheat products rather than those which are traditionally made from barley.

Grain production in the Maghreb fluctuates widely from year to year. With most of the wheat and barley produced by traditional farmers on nonirrigated land, the size of the harvest depends largely on the amount and distribution of rainfall. Inadequate rainfall not only reduces yields, but also area harvested, since a significant portion of the grain crop is produced on marginal land.

For example, 3.1 million tons of wheat were harvested from almost 12 million acres in 1965, with yields averaging 9.4 bushels per acre. The following year only 10 million acres were harvested, producing 1.8 million tons of wheat. Drought not only cut the wheat area, but also reduced yields only about to 6.7 bushels per acre.

During the last 3 years wheat and barley production in the area has been at a much higher level than for any

A young Moroccan boy harvests wheat in the intense North African sun. Morocco's 1970 grain harvest is the second largest on record. (Photo courtesy FAO.)

Far left, wheat flour is used in baking the flat bread consumed throughout the Maghreb. (Photo FAO.) Left, wheat is harvested in Morocco. Right, a Moroccan grain elevator.

ɔld Promise for North Africa

previous 3-year period. However, the figures are misleading since almost all the increased production in recent years has been in Morocco.

The 1970 harvests

Morocco's 1970 grain harvest, reported to be about 4 million tons, is second only to the 1968 crop of around 5 million tons. Wheat production is estimated at 1.9 million tons (1.4 million tons durum and 500,000 tons bread wheat) compared with 2.4 million tons in 1968. Even with the large 1970 crop, imports of 275,000 tons of bread wheat will be required prior to the end of June 1971, to meet mill consumption requirements and to provide adequate working stocks. Barley output for this year is 1.6 million tons.

Tunisia experienced 4 successive years of drought from 1966 through 1969, but the outlook for the 1970 grain harvest is good. Current estimates put Tunisia's wheat crop at 450,000 tons, up from only 300,000 tons last year. However, considerable wheat imports will still be necessary to meet domestic consumption requirements of about 700,000 tons. The 1970 barley crop is estimated at 150,000 tons compared with 80,000 tons harvested the previous year.

Very little information is available on the current grain situation in Algeria. A good 1968 harvest was followed by an average one in 1969, with wheat production decreasing from 1.5 million tons to 1.3 million tons. Domestic demand for wheat is about 2 million tons a year. In 1969, the barley crop fell to about 465,000 tons from 538,000 tons a year earlier. Although no official estimates are available for the 1970 harvest, fragmentary reports indicate that the crop may be as good as the one in 1968. The weather has been particularly favorable in eastern Algeria recently.

In recent years, cereals and cereal products have made up a major share of the agricultural imports of all the countries of the Maghreb, although up through the early 1960's, these countries were net grain exporters in most years. While exports have been made up largely of durum wheat and barley, a substantial volume of bread wheat has been imported. Grain imports reached a peak in 1967, because of poor crops in all three countries in 1966. Since then, imports of cereals and cereal preparations have declined significantly.

Moroccan grain imports fall

Trade statistics for Morocco show a sharp decline in grain imports in 1969, following its record harvest of 1968. Total agricultural imports were also much lower in 1969. With a balance of trade deficit and foreign exchange shortage posing serious problems, this reduction in agricultural imports through increased domestic production gives a substantial boost to Morocco's economic situation. In 1969, the United States supplied 98 percent of Morocco's grain imports (valued at about $11 million) partly under the Public Law 480 program.

Since 1966, Tunisia has had to import almost as much wheat as it has produced; and between 1967 and 1969, cereals and cereal preparations made up an average of 42 percent of Tunisia's agricultural imports. The prospects are brighter for 1970, and with a wheat crop of 450,000 tons, Tunisia's imports should be below the level of the last 3 years. For the past several years, Tunisia has had a foreign trade deficit and has had to draw on already scarce foreign exchange reserves to cover imports. A significant decrease in cereal imports could give a boost to the whole economy. The United States, which has been providing grain to Tunisia under P.L. 480, supplied 73 percent (about $19 million worth) of the country's imports of cereals and cereal preparations in 1969.

When data are available for Algeria, they should show that grain imports for 1969 are below the 1968 level. A good crop in 1970 would keep imports at this lower level. Although Algeria is having trouble finding a market for its wine, a major foreign exchange earner, the country is in a relatively strong foreign exchange position compared with Morocco and Tunisia. Petroleum exports have given Algeria a trade surplus for the past several years.

Flooded croplands where the Danube River has overflowed its channel onto floodplain areas.

Floods Cut Romanian Wheat Crop; Other Harvests Rise

After a growing season that saw both drought and flood, production of several important Romanian crops is expected to drop off. Other crops, however, were up in spite of extensive flood damage to the country's cropland. (See *Foreign Agriculture,* June 29, 1970.)

Wheat, by far the most important fall-sown grain, was especially hard hit by the vagaries of weather. Romanian sources indicate that only about 5.5 million acres were harvested this year compared with approximately 6.8 million acres in 1969. Drought in the fall of 1969 resulted in possibly the smallest sown area since World War II. Then floods in May and June, which covered a total of more than 2.4 million acres of land, including almost 1.5 million acres of planted cropland, further reduced the wheat area. As late as mid-July, flood waters were still standing on more than 700,000 acres of land, damaging an estimated 300,000 acres of wheat.

Some wheat was lost in northwestern and eastern Romania (southern Moldavia), where flood damage was acute; the crop in southeastern Romania suffered from standing water. In addition to the primary damage resulting from excessive rainfall and subsequent flooding, lodging made harvesting difficult at best. Consequently, the harvest was late.

The Government is counting on better than average wheat yields, however, in the areas of little flood damage—including the key agricultural areas of the Braila and Banat regions in southern Romania. Romanian President Ceausescu, speaking before the Romanian National Assembly, called the results of the harvest "gratifying." Nevertheless, because the acreage has been reduced by 16 percent, even with average yields it is unlikely that this year's production will even equal last year's poor output of 4.3 million metric tons.

In recent years Romania has exported grain—in 1968 alone, 1.2 million metric tons of wheat and 375,000 metric tons of corn. But grain exports are likely to be sharply reduced this year, although the country probably has enough grain supplies to meet domestic needs.

The barley crop suffered less. Although floods caused some damage, sown area is estimated to have risen slightly more than 4 percent from last year's area of 759,000 acres. Despite the flood, the current crop is expected to be approximately 25 million tons larger than in 1969 the crop that was harvested.

Large areas of other crops were replanted after the flood waters receded. By mid-July, corn—Romania's major feedgrain—sunflowers, and other resown spring crops were reported to be in good condition.

In addition to resowing spring crops, Romania planned to increase seeding of catch crops—corn, vegetables, and forages—following the cereal harvest. As a result of the late grain harvest and the unavailability of machinery and manpower, however, this replanting was delayed. Of a total planned area of more than 2 million acres of stubble fields to be planted, only about 80 percent had been sown by mid-August.

—By Hilda Christine Collins
Economic Research Service

New Association To Boost Cotton Exports

U.S. cotton exporters have recently joined together in a determined effort to improve the position of American cotton on the world market. Recognizing the need to improve transportation efficiency and reduce shipping costs, they have established the American Cotton Exporters Association.

The primary aim of the association is to facilitate cooperation during various stages in shipping raw cotton and cotton products. A central ocean freight booking office will be established to charter vessels between the United States and foreign countries and to negotiate rates with shipping conferences and individual steamship companies.

The new cotton association hopes to promote one-port loading and unloading of volume cotton shipments whenever possible. This means that a ship would be loaded at only one U.S. port and proceed directly to a single point of discharge. To increase shipping efficiency, association members plan to arrange their cargoes to fit the individual requirements of the carriers whether for bulk, barges, containers, or another method.

Registered under the Webb-Pomerene Export Trade Act, the cotton association is exempt from the antitrust legislation of the Sherman and Clayton Acts. An office has been established in Dallas with George D. Vandergriff as manager, and the association's programs are expected to be fully operational by December 1, 1970.

Libya Harvests Poor Crop, Plans To Up Imports and Agricultural Spending

Shortfalls in wheat and barley output point to increased imports mostly from non-U.S. sources.

Inadequate and poorly distributed rainfall in Libya has reduced production of several important crops for 1970, although olives and olive oil production are projected above 1969 levels. Crops which are down from last year include the principal grains and secondary oilseeds. Imports of flour, wheat, barley, and tobacco continue to be necessary. To meet farm-product needs, the Libyan Government has allocated a generous slice of its 1970 development budget to the domestic agricultural program.

The *wheat* harvest—mostly durum—is estimated at 45,000 metric tons from about 590,000 acres, compared with 62,000 tons in 1969 from the same acreage. *Barley* production dropped to an estimated 75,000 tons on about 960,000 acres in 1970 from 113,000 tons on an additional 30,000 acres in 1969. Government prices to producers are equivalent to $140 per ton for wheat and $126 per ton for barley.

Upswing in olive output

Although *olive* and *olive oil* production showed an increase from the off-year production of 1969, the cyclical upswing in 1970 was limited by the lack of rainfall. The 1970 olive crop is estimated at 65,000 tons, almost double the 1969 crop of 33,000 tons but still well below the 1968 crop of 140,000 tons. Oil production from the 1970 olive crop is projected at 13,000 metric tons compared with 6,000 tons from the 1969 olive crop. *Peanut* production in 1970 is estimated at 11,000 tons in shell from about 60,000 acres, against 13,000 tons from about 62,000 acres last year, while *castorbean* production remains at an estimated 1,000 tons.

Libya produces 1,000 to 1,500 tons of leaf *tobacco* annually, mostly dark air-cured and burley, of which about 600 to 700 tons are used in the cigarette factory operated in Tripoli by the Libyan Tobacco Monopoly. Sizable stocks of domestically produced leaf are carried by the factory at all times because export possibilities for Libyan leaf are very limited.

Although Libya requires substantial imports of flour and some wheat each year and will require even larger imports in calendar 1971 as a result of the reduced 1970 crop, the U.S. share of the market has been relatively insignificant. Libyan imports come mostly from Italy and West Germany.

Due to a lack of receiving, storing, and bagging facilities for bulk grain at the ports, Libya imports bagged barley. Because U.S. suppliers are unable to offer bagged barley at competitive prices, Libyan import requirements for barley, which are sometimes sizable, must be met elsewhere.

The Libyan National Agricultural Bank is responsible for importing barley and soon will take over wheat imports, while private traders still import rice and flour.

The Bank is also responsible for trade (mainly imports) in olive oil while trade in other vegetable oils is private. Import restrictions occasionally are imposed for short periods when domestic oils and oilseeds are available. Frequently, the restrictions are not removed soon enough and, as a result, shortages of peanut and other vegetable oils sometimes occur.

Continuing tobacco imports will be necessary to meet the blending requirements of the cigarette factory, which manufactures six brands. Three filtered brands, and two unfiltered, require imported leaf. Imports of U.S. flue-cured tobacco, which is important in the Libyan blends, totaled nearly $2 million in U.S.-fiscal 1970.

Agriculture policy

The 1968-73 development plan for Libya, which was suspended by the new Government, has now been reinstated as the 1969-74 plan, with allocations for implementation on an annual basis. One-fourth of the 1970 allocation of $560 million is for agricultural development. Of this, about $78.5 million is earmarked for agricultural settlement projects.

The sizable proportion of the budget set aside for agricultural development indicates the emphasis the Government places on this sector of the economy. Nevertheless, implementation of the agricultural development program is seriously limited by the inability of Libyan agriculture to effectively absorb large financial inputs over a relatively short period at the present time.

Weighing barley from an experimental plot to develop new seeds in Libya. (Photo courtesy Arab Information Center.)

The Government of Libya recently solicited bids from foreign firms for the development of five agricultural settlement projects. These projects would include communities complete with roads, schools, clinics, and other facilities and would involve land allocation of about 25 to 50 acres per family depending on the type of operation (i.e., grazing or more intensive) within a particular settlement project. The Ministry of Agriculture is giving the settlement plan priority attention and some foreign firms are considering making bids. However, resettlement cannot be accomplished on a crash basis. —Based on dispatch from

Dudley G. Williams
U.S. Agricultural Attaché, Rabat

CROPS AND MARKETS SHORTS

Weekly Rotterdam Grain Price Report

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	Sept. 2	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.04	+1	1.85
USSR SKS-14	(1)	(1)	1.78
Australian Prime Hard	(1)	(1)	1.79
U.S. No. 2 Dark Northern Spring:			
14 percent	1.97	+2	1.77
15 percent	2.00	+1	1.85
U.S. No. 2 Hard Winter:			
13.5 percent	1.92	0	1.77
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	1.78	−9	1.58
Feedgrains:			
U.S. No. 3 Yellow corn	1.91	+2	1.41
Argentine Plate corn	2.00	+1	1.73
U.S. No. 2 sorghum	1.67	+1	1.44
Argentine-Granifero	1.70	+1	1.49
Soybeans:			
U.S. No. 2 Yellow	3.20	−4	2.71

[1] Not quoted.
Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

U.S. Meat Imports in July

U.S. meat imports subject to the Meat Import Law during July 1970 totaled 110.1 million pounds, 2.7 percent above the July 1969 quantity of 107.1 million pounds. Imports for January-July this year, at 690.7 million pounds, are 16.7 percent above the 591.8 million pounds that were imported by the United States in the same period a year earlier.

Larger imports from New Zealand, Mexico, Nicaragua, Canada, Panama, Haiti, and the United Kingdom (Northern Ireland) more than offset the smaller entries for consumption from Australia, Costa Rica, Ireland, Guatemala, Honduras, and the Dominican Republic. Imports from the largest supplier—Australia—totaled 56.9 million pounds. New Zealand followed with 28.8 million pounds, Mexico with 6.2 million pounds, Canada with 5.7 million pounds, and Ireland and Nicaragua each with 3.6 million pounds.

U.S. IMPORTS SUBJECT TO MEAT IMPORT LAW,[1] BY COUNTRY

Country of origin	July		January-July	
	1969	1970	1969	1970
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Australia	68,881	56,869	287,574	336,851
New Zealand	18,436	28,849	127,399	118,134
Mexico	3,176	6,193	37,869	55,654
Canada	2,732	5,701	22,054	45,631
Nicaragua	3,077	3,578	24,424	26,893
Ireland	3,962	3,569	29,862	37,457
Costa Rica	3,099	1,644	24,237	26,556
Guatemala	1,561	1,293	14,174	16,802
United Kingdom	—	830	2,184	2,687
Honduras	1,196	775	12,040	14,512
Dominican Republic	958	358	7,072	4,429
Panama	—	233	2,190	4,354
Haiti	70	134	724	758
Total	107,148	110,026	591,803	690,718

[1] Fresh, frozen, and chilled beef, veal, mutton, and goat meat. Excludes canned beef, and other prepared or preserved beef products.

U.S. MEAT IMPORTS SUBJECT TO MEAT IMPORT LAW [PL 88-482]

Imports	July	Jan.-July
	Million pounds	*Million pounds*
1970:		
Subject to Meat Import Law [1]	110.0	690.7
Total beef and veal [2]	124.1	766.9
Total red meat [3]	170.2	1,058.7
1969:		
Subject to Meat Import Law [1]	107.1	591.8
Total beef and veal [2]	120.3	661.6
Total red meat [3]	160.3	918.8
1968:		
Subject to Meat Import Law [1]	86.4	543.4
Total beef and veal [2]	104.6	604.6
Total red meat [3]	139.6	863.9

[1] Fresh, chilled, and frozen beef, veal, mutton, and goat meat. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton, and goat.

Less South African Dried Fruit

Drought conditions cut 1970 South African production of dried fruit, which is reported to total 20,320 short tons. This is 24 percent below 1969 but above 1967 and 1968. The raisin crop totaled 13,850 tons, 26 percent below last season but 13 percent above the annual average for 1965-69. Other dried fruit items are also reported to be lower.

Dried fruit exports in the current season are expected to fall below those of 1969, which had totaled 13,258 tons—44 per-

SOUTH AFRICAN DRIED FRUIT PRODUCTION

Item	1967	1968	1969	1970
	Short tons	*Short tons*	*Short tons*	*Short tons*
Raisins	9,225	13,007	18,643	13,850
Prunes	1,728	1,060	2,620	1,800
Peaches	1,346	2,004	1,788	1,700
Pears	843	997	1,411	1,100
Apricots	1,077	1,100	1,238	1,100
Currants	724	719	718	580
Apples	64	155	201	70
Other	85	121	130	120
Total	15,092	19,163	26,749	20,320

cent above those of 1968. Raisin exports totaled a record 10,656 tons during 1969. Exports of fruit salad, apricots, and pears also recorded higher levels than in 1968. The United Kingdom is South Africa's largest foreign dried fruit market. U.K. imports of South African raisins totaled 5,820 tons in 1969, the highest level in recent years. South Africa is also increasing its share of the Canadian market. Canadian imports of South African raisins totaled a record 3,052 tons in 1969.

SOUTH AFRICAN EXPORTS OF DRIED FRUIT

Item	1967	1968	1969
	Short tons	*Short tons*	*Short tons*
Raisins:			
Thompson Seedless	3,019	4,977	7,533
Other raisins	1,281	1,703	3,123
Total	4,300	6,680	10,656
Fruit salad	1,173	754	928
Apricots	852	812	878
Peaches	635	692	486
Pears	261	261	295
	86	—	15
Grand total	7,307	9,199	13,258

July U.S. Tobacco Exports Lower

U.S. exports of unmanufactured tobacco in July 1970 were 34.7 million pounds (declared weight), compared with 43.5 million pounds in July 1969. Lower shipments of both flue-cured and burley tobaccos were recorded. The declared value of shipments was also lower at $33.8 million in July 1970, compared with $36.7 million in July 1969.

Cumulative exports for the 7-month period, January-July 1970, were off 5.7 percent, with 245.0 million pounds as against 259.9 million pounds in the same period a year ago. Shipments of flue-cured leaf were down 11.8 percent, and burley leaf 9.9 percent. Cumulative value was also off about 1.3 percent, totaling $225.3 million during the first 7 months of 1970 compared with $228.2 million in the same period of 1969.

Exports of tobacco products during July 1970 were valued at $17.4 million, representing an increase over the $15.1 million in July 1969. The cumulative value of tobacco-product exports for the first 7 months, January-July 1970, increased more than one-fourth for a total of $107.7 million, compared with $83.9 million in the previous year. Cigarette exports for the cumulative period reached 17.6 billion pieces, an increase of 27 percent over the 13.9 billion pieces in the same period a year ago.

U.S. EXPORTS OF TOBACCO PRODUCTS

	July		January-July		Change from
	1969	1970	1969	1970	1969
Cigars and cheroots					*Percent*
1,000 pieces	3,265	6,849	36,996	33,334	−9.9
Cigarettes					
Million pieces	2,597	2,766	13,870	17,608	+27.0
Chewing and snuff					
1,000 pounds	3	4	19	50	+163.2
Smoking tobacco in packages					
1,000 pounds	61	65	611	502	−17.8
Smoking tobacco in bulk					
1,000 pounds	1,194	1,775	9,852	10,249	+4.0
Total declared value					
Million dollars	15.1	17.4	83.9	107.7	+28.4

Bureau of the Census.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	July		January-July		Change from
	1969	1970	1969	1970	1969
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	33,007	26,081	190,808	168,333	−11.8
Burley	5,970	2,580	28,585	25,769	−9.9
Dark-fired Ky.-Tenn.	1,239	669	9,315	10,106	+8.5
Va. fire-cured [1]	105	159	1,966	2,578	+31.1
Maryland	342	1,235	5,945	6,863	+15.4
Green River	32	0	427	293	−31.4
One Sucker	55	26	168	342	+103.6
Black Fat	182	157	493	1,469	+198.0
Cigar wrapper	82	98	1,506	975	−35.3
Cigar binder	52	6	411	100	−75.7
Cigar filler	0	0	392	202	−48.5
Other	2,470	3,688	19,929	27,997	+40.5
Total	43,536	34,699	259,945	245,027	−5.7
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	36.7	33.8	228.2	225.3	−1.3

[1] Includes sun-cured. Bureau of the Census.

Zambia Begins Tobacco Price Support

The Government of Zambia recently announced a price support of 53.2 U.S. cents per pound for flue-cured tobacco, to stimulate tobacco production. The price support will be paid directly to growers by the Tobacco Board of Zambia according to the quantity of tobacco sold on the auction floor. The payment to each grower will be based on the difference between the support price and the average price per pound of tobacco sold at auction. The support has been announced for the 1969-70 crop with the Government's stated intention to continue payments for the 1970-71 and 1971-72 crops.

Zambia's production of flue-cured tobacco has declined in recent years, and the 1969-70 crop is currently estimated at 11.5 million pounds compared with a yearly average of 16.6 million pounds during the 1960-64 period. Average prices to growers have also been declining. The 1968-69 season average price was 49 U.S. cents per pound, and prices for the current market after 9 weeks of sales through July 22, 1970, have averaged only 41 cents.

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India Struggles To Increase Exports

(Continued from page 4)

and spices. Exports to Yugoslavia jumped from $21 million in 1968 to $40 million in 1969 because of larger deliveries of leather, iron ore, coffee, tea, peanuts, and processed foods. The UAR and Yugoslavia did not expand their exports to India so rapidly in 1969, and the Indians are expecting larger deliveries from them in 1970. The Egyptians are scheduled to send more extra-long staple cotton this year and, under an expanded bilateral agreement, more rice. Yugoslavia will continue to supply tractors, machine tools, and industrial parts and may provide meat and dairy products in the future.

In a few other areas, India's agricultural exports have been able to hold their own or even register gains in recent years. Undoubtedly, India's exports eastward to Southeast Asia, Hong Kong, Japan, the USSR, and the United States have been spurred by the closure of the Suez Canal and consequent losses in some European markets.

Exports of peanut meal to Japan, for example, have remained strong and are expected to reach 125,000 tons in 1970 and even higher levels by 1972. The peanut meal demand in Eastern Europe and the United Kingdom has also been good, although India's exports have not again reached their 1965 peak of over 1 million tons.

In 1969, Japan replaced the United Kingdom as the second largest market for India's exports, and much larger exports of farm commodities and iron ore to Japan are planned in the next 2 years. Exports to Japan increased by 11 percent (to $223 million) in 1969, while those to the United Kingdom declined by 23 percent (to $217 million). That decline is attributed to both the continued closure of the Suez Canal and the reduction in tea exports to the London market.

India's exports of rice (mainly Basmati for consumption by Indians living abroad), processed foods, spices, and manufactured goods to the Middle East have also increased since the closing of the Suez Canal—especially to Kuwait, Iraq, Saudi Arabia, Abu Dhabi, Bahrein, and Qatar. Exports of seeds, fruits, and vegetables to that area should increase in the next few years, although they are now relatively small. More spices will be packaged in India and exported to the Middle East; and exports of bakery products, candy, soft drinks, salad dressings, and canned foods are increasing. Indian merchants are leading importers in some Middle East markets where all processed foods are imported, and India has become a major supplier of fruit juices, onions, and chillies for the Arabian Peninsula. Exports of animal feed—especially for chickens—are increasing to Kuwait and Saudi Arabia, as well as to Nepal, Ceylon, and Japan.

India's exports of coffee have more than doubled since 1960, and the demand in Europe is excellent. The United States, East Germany, and Yugoslavia are also growing markets; and shipments to the USSR are expected to continue to rise.

Trade with the United States

India's total exports to the United States—its leading export market—reached $330 million in 1969, a gain of 11 percent over the previous year. However, less than one-fourth of these exports consisted of agricultural commodities. Cashew kernels, spices, and tea are the leading agricultural exports; although the United States also takes about half of India's exports of jute products and many light industrial items. Exports of instant tea are also rising, although they still total less than $1 million annually.

India would like to increase exports to the United States, since the dollars earned are needed to meet debt repayment schedules and to buy machinery, airplanes, and vegetable oils. Foreign exchange reserves in India exceeded $1 billion for the first time in May 1970; and cash purchases of U.S. grains, vegetable oils, and tallow could reach $50 million in 1970 due to this improved financial position.